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Legislation Will Put in Place Common-Sense Rules to Protect American Families from Unfair and Deceptive Financial Practices

WASHINGTON, D.C. – Today, Congresswoman Doris Matsui (D-Sacramento) voted in favor of H.R. 4173, the Restoring American Financial Stability Act of 2010, which will provide long-overdue oversight of our nation's financial systems, and protect Sacramento families. The House-Senate conference report language passed the House today, and includes an amendment authored by Rep. Matsui which requires mortgage servicers or lenders participating in the Making Home Affordable Program to publicly report their progress in helping responsible homeowners stay in their homes.

"For far too long, Wall Street and big banks were allowed to gamble with our money without the common-sense regulations that would have prevented the meltdown of our economy," stated Rep. Matsui. "Americans lost nearly \$5 trillion dollars in the 2008 meltdown: seniors lost trillions in their retirements; college funds were diminished; and small business lost access to necessary capital. This historic legislation will help protect Sacramentans who need and deserve honest financial practices to ensure the health and well-being of their families, their futures, and our economy as a whole."

The Restoring American Financial Stability Act of 2010 address the myriad of causes – from unregulated derivatives trading to a lack of accountability on Wall Street to predatory lending – that led to the economic meltdown we saw in 2008. The bill will create a new Financial Consumer Protection Agency to protect consumers from unfair and deceptive financial practices. This comprehensive set of measures will modernize America's financial regulations, and hold Wall Street accountable for their actions. Moreover, the Matsui Amendment will ensure the mortgage industry is accountable for helping responsible homeowners stay in their homes.

"Many families in my home district of Sacramento continue struggling to make ends meet. I have heard countless stories of those struggling to keep their homes, their jobs, and their way of life. The mortgage crisis, in particular, continues to impact many in Sacramento. Since the inception of the Making Home Affordable Program more than a year ago, the mortgage industry has only modified a small number of mortgages nationwide into permanent, affordable

modifications. The mortgage industry has not lived up to its commitment to responsible homeowners. My amendment requires mortgage servicers or lenders participating in the Making Home Affordable Program to publicly report their progress in helping responsible homeowners stay in their homes.”

With the inclusion of the Matsui Amendment into the final bill, when enacted, participating lenders will be required to report on monthly basis to the Department of Treasury such basic information such as: the number of loan modifications applications received; the number of loan applications being processed; the number of loan modifications that have been approved; and the number of loan modification requests that have been denied. The Department of Treasury would then be required to make such information publicly available on the Department’s website. The amendment also gives the Treasury Secretary the authority to release other relevant information as the Secretary deems necessary to make the program more effective for American homeowners.

“By implementing long-overdue financial oversight and consumer protection legislation, this Congress is tackling the greatest challenges our country is facing. This legislation reins in big banks and their big bonuses, puts an end to bailouts and the idea of ‘too big to fail,’ and creates a consumer financial protection agency to protect and empower consumers to make the best decisions on homes, credit cards, and their own financial future. As a result, we are making our economy both stronger and more financially stable. And most importantly, we will restore accountability to our nation’s financial systems and protect American consumers, their hard-earned money, and their ability to plan for their future.”

The Wall Street Reform and Consumer Protection Act Protects American Families and Small Businesses By:

- Creating a new Consumer Financial Protection Agency to protect families and small businesses by ensuring that bank loans, mortgages, and credit cards are fair, affordable, understandable, and transparent.

- Ending abusive predatory lending practices that occurred during the subprime lending frenzy.

- Shutting down “too big to fail” financial firms before risky and irresponsible behavior threatens to bring down the entire economy.

- Ending costly taxpayer bailouts with new procedures to unwind failing companies that pose the greatest risk — paid for by the financial industry and not the taxpayers. It also eliminates the TARP program as of July 1.

- Creating tough new rules on the riskiest financial practices that gambled with your money and caused the financial crash, like the credit default swaps that devastated AIG, and common sense regulation of derivatives and other complex financial products. Includes a strong “Volcker rule” that generally restricts large financial firms with commercial banking operations from trading in speculative investments.

- Providing tough enforcement and oversight with more enforcement power and funding for the Securities and Exchange Commission, including requiring registration of hedge funds and private equity funds. Also ensures enhanced oversight and transparency for credit rating agencies, whose seal of approval gave way to excessively risky practices that led to the financial collapse.

- Reining in egregious executive compensation and retirement plans by allowing a “say on pay” for shareholders, requiring independent directors on compensation committees, and limiting bank executive risky pay

practices that jeopardize banks' safety and soundness.

- Implementing new protections for grocers, retailers and other small businesses facing out-of-control "swipe fees" that banks and other credit and debit card issuers charge these businesses for debit or prepaid-card purchases. In turn, this will save American consumers billions.

- Auditing the Federal Reserve's emergency lending programs from the financial crisis and limits the Fed's emergency lending authority.

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